

**Agency Legislative Budget**

The following table summarizes the total legislative budget for the agency by year, type of expenditure, and source of funding.

Agency Legislative Budget								
Budget Item	Base Budget Fiscal 2004	PL Base Adjustment Fiscal 2006	New Proposals Fiscal 2006	Total Leg. Budget Fiscal 2006	PL Base Adjustment Fiscal 2007	New Proposals Fiscal 2007	Total Leg. Budget Fiscal 2007	Total Leg. Budget Fiscal 06-07
FTE	168.90	4.00	0.00	172.90	4.00	0.00	172.90	172.90
Personal Services	7,048,318	966,075	0	8,014,393	972,838	0	8,021,156	16,035,549
Operating Expenses	6,819,064	1,649,835	250,000	8,718,899	1,738,344	250,000	8,807,408	17,526,307
Equipment	90,923	0	175,000	265,923	0	0	90,923	356,846
Capital Outlay	0	0	0	0	0	0	0	0
Grants	1,039,597	0	0	1,039,597	0	0	1,039,597	2,079,194
Benefits & Claims	2,280	0	0	2,280	0	0	2,280	4,560
<b>Total Costs</b>	<b>\$15,000,182</b>	<b>\$2,615,910</b>	<b>\$425,000</b>	<b>\$18,041,092</b>	<b>\$2,711,182</b>	<b>\$250,000</b>	<b>\$17,961,364</b>	<b>\$36,002,456</b>
General Fund	4,111,558	249,595	350,000	4,711,153	240,580	250,000	4,602,138	9,313,291
State/Other Special	542,203	367,773	75,000	984,976	440,497	0	982,700	1,967,676
Federal Special	10,346,421	1,998,542	0	12,344,963	2,030,105	0	12,376,526	24,721,489
<b>Total Funds</b>	<b>\$15,000,182</b>	<b>\$2,615,910</b>	<b>\$425,000</b>	<b>\$18,041,092</b>	<b>\$2,711,182</b>	<b>\$250,000</b>	<b>\$17,961,364</b>	<b>\$36,002,456</b>

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Legislative Budget Analysis, D-156

**Executive Budget Comparison**

The following table compares the legislative budget for the 2007 biennium to the budget requested by the Governor, by type of expenditure and source of funding.

Executive Budget Comparison								
Budget Item	Base Budget Fiscal 2004	Executive Budget Fiscal 2006	Legislative Budget Fiscal 2006	Leg – Exec. Difference Fiscal 2006	Executive Budget Fiscal 2007	Legislative Budget Fiscal 2007	Leg – Exec. Difference Fiscal 2007	Biennium Difference Fiscal 06-07
FTE	168.90	173.90	172.90	(1.00)	173.90	172.90	(1.00)	
Personal Services	7,048,318	8,051,508	8,014,393	(37,115)	8,058,164	8,021,156	(37,008)	(74,123)
Operating Expenses	6,819,064	8,718,899	8,718,899	0	8,807,408	8,807,408	0	0
Equipment	90,923	165,923	265,923	100,000	90,923	90,923	0	100,000
Capital Outlay	0	0	0	0	0	0	0	0
Grants	1,039,597	1,039,597	1,039,597	0	1,039,597	1,039,597	0	0
Benefits & Claims	2,280	2,280	2,280	0	2,280	2,280	0	0
<b>Total Costs</b>	<b>\$15,000,182</b>	<b>\$17,978,207</b>	<b>\$18,041,092</b>	<b>\$62,885</b>	<b>\$17,998,372</b>	<b>\$17,961,364</b>	<b>(\$37,008)</b>	<b>\$25,877</b>
General Fund	4,111,558	4,625,999	4,711,153	85,154	4,616,941	4,602,138	(14,803)	70,351
State/Other Special	542,203	984,976	984,976	0	982,700	982,700	0	0
Federal Special	10,346,421	12,367,232	12,344,963	(22,269)	12,398,731	12,376,526	(22,205)	(44,474)
<b>Total Funds</b>	<b>\$15,000,182</b>	<b>\$17,978,207</b>	<b>\$18,041,092</b>	<b>\$62,885</b>	<b>\$17,998,372</b>	<b>\$17,961,364</b>	<b>(\$37,008)</b>	<b>\$25,877</b>

The legislature has adopted a 2007 biennium budget for the Department of Military Affairs that increases general fund by \$70,351 and reduces federal special revenue by \$44,474 as compared to the executive budget. These increases are primarily due to the following:

1. The legislature appropriated \$100,000 of general fund for the purpose of constructing a liberty house at the Fort Harrison VA medical center
2. The legislature decreased 1.00 FTE from the executive budget request for a full-time substitute teacher in the Youth Challenge program. General fund was reduced by \$29,649 and federal special revenue was reduced by \$44,474 over the 2007 biennium

## Agency Highlights

Department of Military Affairs Major Budget Highlights	
◆	The legislature approved increases of \$6.0 million over the biennium primarily due to:
•	The opening of 10 new facilities or additions in the Army National Guard for utilities, janitorial services, and added maintenance personnel
•	Continued federal funding authority for the distance learning network and the Army National Guard communication backbone
•	Air guard security and fire fighter overtime
•	Ongoing operations, maintenance, and repair costs at existing facilities
◆	The legislature continued funding the National Guard Scholarship Program with \$500,000 general fund for the biennium, an increase over the 2005 biennium level of \$250,000, and removed the OTO designation

## Funding

The following table summarizes funding for the agency, by program and source, as adopted by the legislature. Funding for each program is discussed in detail in the individual program narratives that follow.

Total Agency Funding 2007 Biennium Legislative Budget					
Agency Program	General Fund	State Spec.	Fed Spec.	Grand Total	Total %
01 Centralized Services Division	\$ 890,409	\$ -	\$ 387,212	\$ 1,277,621	3.5%
02 Challenge Program	2,221,711	-	3,332,564	5,554,275	15.4%
03 Scholarship Program	500,000	-	-	500,000	1.4%
12 Army National Guard Pgm	2,407,528	127,600	11,950,200	14,485,328	40.2%
13 Air National Guard Pgm	623,126	-	5,486,346	6,109,472	17.0%
21 Disaster & Emergency Services	1,251,161	28,874	3,565,167	4,845,202	13.5%
31 Veterans Affairs Program	1,419,356	1,811,202	-	3,230,558	9.0%
Grand Total	<u>\$ 9,313,291</u>	<u>\$ 1,967,676</u>	<u>\$ 24,721,489</u>	<u>\$ 36,002,456</u>	<u>100.0%</u>

**Program Legislative Budget**

The following table summarizes the legislative budget proposal for the program by year, type of expenditure, and source of funding.

Program Legislative Budget								
Budget Item	Base Budget Fiscal 2004	PL Base Adjustment Fiscal 2006	New Proposals Fiscal 2006	Total Leg. Budget Fiscal 2006	PL Base Adjustment Fiscal 2007	New Proposals Fiscal 2007	Total Leg. Budget Fiscal 2007	Total Leg. Budget Fiscal 06-07
FTE	9.20	0.00	0.00	9.20	0.00	0.00	9.20	9.20
Personal Services	525,039	13,938	0	538,977	12,668	0	537,707	1,076,684
Operating Expenses	50,742	48,335	0	99,077	46,558	0	97,300	196,377
Benefits & Claims	2,280	0	0	2,280	0	0	2,280	4,560
<b>Total Costs</b>	<b>\$578,061</b>	<b>\$62,273</b>	<b>\$0</b>	<b>\$640,334</b>	<b>\$59,226</b>	<b>\$0</b>	<b>\$637,287</b>	<b>\$1,277,621</b>
General Fund	427,128	25,263	0	452,391	10,890	0	438,018	890,409
Federal Special	150,933	37,010	0	187,943	48,336	0	199,269	387,212
<b>Total Funds</b>	<b>\$578,061</b>	<b>\$62,273</b>	<b>\$0</b>	<b>\$640,334</b>	<b>\$59,226</b>	<b>\$0</b>	<b>\$637,287</b>	<b>\$1,277,621</b>

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Legislative Budget Analysis, D-159

**Funding**

The Centralized Services Division is primarily funded with general fund. The federal/state agreement between the Department of Military Affairs and the associated federal agencies have identified certain personal service costs of positions that provide support to federally funded activities as applicable for federal funding. During the base year, federal funds accounted for approximately 26 percent of the funding for the division. In the 2007 biennium, the percentage would increase to 29 percent.

**Present Law Adjustments**

The "Present Law Adjustments" table shows the primary changes to the adjusted base budget adopted by the legislature. "Statewide Present Law" adjustments are standard categories of adjustments made to all agencies. Legislative decisions on these items were applied globally to all agencies. The other numbered adjustments in the table correspond to the narrative descriptions.

Present Law Adjustments									
-----Fiscal 2006-----					-----Fiscal 2007-----				
FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
Personal Services				36,395					35,070
Vacancy Savings				(22,457)					(22,402)
Inflation/Deflation				(13)					(12)
Fixed Costs				48,348					46,570
<b>Total Statewide Present Law Adjustments</b>				<b>\$62,273</b>					<b>\$59,226</b>
<b>Grand Total All Present Law Adjustments</b>				<b>\$62,273</b>					<b>\$59,226</b>

**Program Legislative Budget**

The following table summarizes the legislative budget proposal for the program by year, type of expenditure, and source of funding.

Program Legislative Budget								
Budget Item	Base Budget Fiscal 2004	PL Base Adjustment Fiscal 2006	New Proposals Fiscal 2006	Total Leg. Budget Fiscal 2006	PL Base Adjustment Fiscal 2007	New Proposals Fiscal 2007	Total Leg. Budget Fiscal 2007	Total Leg. Budget Fiscal 06-07
FTE	47.40	0.00	0.00	47.40	0.00	0.00	47.40	47.40
Personal Services	1,677,363	36,125	0	1,713,488	35,350	0	1,712,713	3,426,201
Operating Expenses	1,084,380	(17,372)	0	1,067,008	(23,314)	0	1,061,066	2,128,074
<b>Total Costs</b>	<b>\$2,761,743</b>	<b>\$18,753</b>	<b>\$0</b>	<b>\$2,780,496</b>	<b>\$12,036</b>	<b>\$0</b>	<b>\$2,773,779</b>	<b>\$5,554,275</b>
General Fund	1,107,616	4,583	0	1,112,199	1,896	0	1,109,512	2,221,711
Federal Special	1,654,127	14,170	0	1,668,297	10,140	0	1,664,267	3,332,564
<b>Total Funds</b>	<b>\$2,761,743</b>	<b>\$18,753</b>	<b>\$0</b>	<b>\$2,780,496</b>	<b>\$12,036</b>	<b>\$0</b>	<b>\$2,773,779</b>	<b>\$5,554,275</b>

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Legislative Budget Analysis, D-161

**Funding**

The Youth Challenge Program is funded with general fund and federal special revenue at a 60/40 federal to state funding ratio. The federal-level National Guard Bureau established the program at an original split of 75/25 federal/state match in 1998, with the state percentage to increase by 5 percent each year until FY 2002, at which time the state match became 40 percent. The legislative budget funds the Youth Challenge Program state match with general fund for the 2007 biennium.

**Present Law Adjustments**

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Present Law Adjustments									
-----Fiscal 2006-----					-----Fiscal 2007-----				
FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
Personal Services				107,520					106,717
Vacancy Savings				(71,395)					(71,367)
Fixed Costs				(17,372)					(23,314)
<b>Total Statewide Present Law Adjustments</b>				<b>\$18,753</b>					<b>\$12,036</b>
<b>Grand Total All Present Law Adjustments</b>				<b>\$18,753</b>					<b>\$12,036</b>

**Program Legislative Budget**

The following table summarizes the legislative budget proposal for the program by year, type of expenditure, and source of funding.

Program Legislative Budget								
Budget Item	Base Budget Fiscal 2004	PL Base Adjustment Fiscal 2006	New Proposals Fiscal 2006	Total Leg. Budget Fiscal 2006	PL Base Adjustment Fiscal 2007	New Proposals Fiscal 2007	Total Leg. Budget Fiscal 2007	Total Leg. Budget Fiscal 06-07
FTE	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Operating Expenses	0	0	250,000	250,000	0	250,000	250,000	500,000
<b>Total Costs</b>	<b>\$0</b>	<b>\$0</b>	<b>\$250,000</b>	<b>\$250,000</b>	<b>\$0</b>	<b>\$250,000</b>	<b>\$250,000</b>	<b>\$500,000</b>
General Fund	0	0	250,000	250,000	0	250,000	250,000	500,000
<b>Total Funds</b>	<b>\$0</b>	<b>\$0</b>	<b>\$250,000</b>	<b>\$250,000</b>	<b>\$0</b>	<b>\$250,000</b>	<b>\$250,000</b>	<b>\$500,000</b>

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Legislative Budget Analysis, D-163

**Funding**

The National Guard Scholarship Program is funded entirely with general fund.

**Present Law Adjustments**

The "Present Law Adjustments" table shows the primary changes to the adjusted base budget adopted by the legislature. "Statewide Present Law" adjustments are standard categories of adjustments made to all agencies. Legislative decisions on these items were applied globally to all agencies. The other numbered adjustments in the table correspond to the narrative descriptions.

**New Proposals**

New Proposals										
Program	FTE	-----Fiscal 2006-----				-----Fiscal 2007-----				
		General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
DP 202 - Fund National Guard Scholarship Program										
03	0.00	250,000	0	0	250,000	0.00	250,000	0	0	250,000
<b>Total</b>	<b>0.00</b>	<b>\$250,000</b>	<b>\$0</b>	<b>\$0</b>	<b>\$250,000</b>	<b>0.00</b>	<b>\$250,000</b>	<b>\$0</b>	<b>\$0</b>	<b>\$250,000</b>

DP 202 - Fund National Guard Scholarship Program - The legislature approved funding to continue the National Guard Scholarship Program. The 2003 Legislature funded the program as a biennial, one-time only general fund appropriation of \$250,000. The 2005 Legislature funded the program with \$500,000 general fund, and designated the appropriation as restricted and biennial.

### Program Legislative Budget

The following table summarizes the legislative budget proposal for the program by year, type of expenditure, and source of funding.

Program Legislative Budget								
Budget Item	Base Budget Fiscal 2004	PL Base Adjustment Fiscal 2006	New Proposals Fiscal 2006	Total Leg. Budget Fiscal 2006	PL Base Adjustment Fiscal 2007	New Proposals Fiscal 2007	Total Leg. Budget Fiscal 2007	Total Leg. Budget Fiscal 06-07
FTE	34.30	3.00	0.00	37.30	3.00	0.00	37.30	37.30
Personal Services	1,781,009	127,738	0	1,908,747	130,827	0	1,911,836	3,820,583
Operating Expenses	3,978,869	1,199,169	0	5,178,038	1,325,992	0	5,304,861	10,482,899
Equipment	90,923	0	0	90,923	0	0	90,923	181,846
<b>Total Costs</b>	<b>\$5,850,801</b>	<b>\$1,326,907</b>	<b>\$0</b>	<b>\$7,177,708</b>	<b>\$1,456,819</b>	<b>\$0</b>	<b>\$7,307,620</b>	<b>\$14,485,328</b>
General Fund	1,179,286	15,240	0	1,194,526	33,716	0	1,213,002	2,407,528
State/Other Special	0	26,300	0	26,300	101,300	0	101,300	127,600
Federal Special	4,671,515	1,285,367	0	5,956,882	1,321,803	0	5,993,318	11,950,200
<b>Total Funds</b>	<b>\$5,850,801</b>	<b>\$1,326,907</b>	<b>\$0</b>	<b>\$7,177,708</b>	<b>\$1,456,819</b>	<b>\$0</b>	<b>\$7,307,620</b>	<b>\$14,485,328</b>

### Page Reference

Legislative Budget Analysis, D-164

### Funding

The Army National Guard program is primarily funded with a combination of general fund and federal funds. Funding depends on how a facility is used and the costs to operate and maintain a facility, and can be funded: 1) entirely with state funds; 2) entirely with federal funds; or 3) as a shared responsibility, with federal funds at 75 percent and general fund at 25 percent (service contract buildings). When a facility is owned by the state and located on state land, maintenance costs are the responsibility of the state and utility costs are split evenly with the federal government. When a facility is state owned but located on federal land, the maintenance costs are funded 75 percent federal and 25 percent general fund, but utility costs are funded 100 percent general fund. When a facility is classified as a logistics facility, the funding is 100 percent federal funds for the entire facility. Federally owned facilities located on federal land and those that serve training missions are predominantly funded 100 percent with federal funds, except when the building is used as an armory. Armories constructed with federal funds and located on federal land are funded 100 percent general fund for maintenance and 50 percent federal and 50 percent general fund for utilities costs. When armories are rented to groups, the state special revenue funds generated from rental fees are used to augment general fund support of the facilities.

During the base year, general fund accounted for 20 percent of overall expenditures within the Army National Guard program.

### Present Law Adjustments

The "Present Law Adjustments" table shows the primary changes to the adjusted base budget adopted by the legislature. "Statewide Present Law" adjustments are standard categories of adjustments made to all agencies. Legislative decisions on these items were applied globally to all agencies. The other numbered adjustments in the table correspond to the narrative descriptions.

Present Law Adjustments										
-----Fiscal 2006-----						-----Fiscal 2007-----				
FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds	
Personal Services				121,388					124,605	
Vacancy Savings				(76,095)					(76,225)	
Inflation/Deflation				53,759					42,029	
Fixed Costs				(6,594)					(15,391)	
Total Statewide Present Law Adjustments				\$92,458					\$75,018	
DP 3 - ARNG Utilities at New Locations	0.00	2,639	0	56,365	59,004	0.00	8,186	0	117,168	125,354
DP 4 - Janitorial Service at New Locations	0.00	8,340	0	12,660	21,000	0.00	13,620	0	13,380	27,000
DP 5 - ARNG Facilities Maintenance Employees	2.00	13,062	0	39,184	52,246	2.00	13,066	0	39,195	52,261
DP 6 - ARNG Janitorial at Existing Locations	0.00	5,625	0	24,375	30,000	0.00	5,625	0	24,375	30,000
DP 9 - Distance Learning State Special Spending Authority	0.00	0	25,000	0	25,000	0.00	0	100,000	0	100,000
DP 11 - Range Maintenance Employee	1.00	0	0	30,199	30,199	1.00	0	0	30,186	30,186
DP 13 - Environmental Program Operations	0.00	0	0	302,000	302,000	0.00	0	0	302,000	302,000
DP 14 - Communications 100% Federal Authority Increase	0.00	0	0	200,000	200,000	0.00	0	0	200,000	200,000
DP 15 - ARNG Additional Federal Spending Authority	0.00	0	0	515,000	515,000	0.00	0	0	515,000	515,000
Total Other Present Law Adjustments										
	3.00	\$29,666	\$25,000	\$1,179,783	\$1,234,449	3.00	\$40,497	\$100,000	\$1,241,304	\$1,381,801
Grand Total All Present Law Adjustments				\$1,326,907					\$1,456,819	

DP 3 - ARNG Utilities at New Locations - The legislature approved additional utility expenditures to support new facilities that began operating partially through the base year or will start operations next year, and are derived as follows:

- The Civil Support Team (CST) Armory is funded 75 percent federal funds and 25 percent general fund and is considered a service contract building. Spending authority is approved at \$10,555 per year
- The Havre Armory addition and the Dillon Armory are funded 50 percent general fund and 50 percent federal funds. These two facilities were built with federal money on state land and are only reimbursed from the federal government 50 percent for utilities cost. Spending authority is approved at \$11,094 in FY 2007
- There are seven federal facilities located on federal land that will be funded 100 percent with federal special revenue, including: 1) tool recycling facility; 2) Kalispell armed forces reserve center (AFRC); 3) engineer maintenance facility; 4) Billings AFRC addition; 5) Billings organizational maintenance shop (OMS) addition; 6) Kalispell OMS addition; and 7) army aviation support facility addition. The legislature approved federal special revenue for utilities expenditures in FY 2006 of \$48,449 and \$103,705 in FY 2007

DP 4 - Janitorial Service at New Locations - The legislature approved additional federal special revenue and general fund authority to support a basic level of janitorial services at the three new armories located at Dillon, Kalispell, and Fort Harrison, which have been constructed or will be constructed after the base year.

DP 5 - ARNG Facilities Maintenance Employees - The legislature approved 2.00 FTE to assist in maintaining the facilities operated and maintained by the department. The additional staff approved would include a heating ventilating and air conditioning technician and a painter. Funding authority is 75 percent federal funds and 25 percent general fund.

DP 6 - ARNG Janitorial at Existing Locations - The legislature approved additional janitorial services for the Helena armed forces reserve center.

DP 9 - Distance Learning State Special Spending Authority - The legislature approved additional state special revenue authority to continue implementation of shared usage of the Montana National Guard Distance Learning Network. The funds would be used to repair and maintain equipment and facilities. The shared use will be by state agencies, local governments, and other authorized groups.

DP 11 - Range Maintenance Employee - The legislature approved additional federal special revenue to make an existing modified position (targetry and range maintenance employee) a full-time permanent position. Expenditures for a modified position are not included in the base.

DP 13 - Environmental Program Operations - The legislature approved additional federal authority for the environmental program to comply with all state and federal environmental laws and requirements. The funding request would be used to sustain the permanent ongoing needs of the environmental compliance program in the areas of: hazardous waste disposal, spill response supplies, environmental documentation of new activities, facility management plans, natural resource studies, and unexploded ordinance remediation.

DP 14 - Communications 100% Federal Authority Increase - The legislature approved federal spending authority to maintain the statewide network that supports daily operations with voice, video, and data traffic, and the Montana National Guard Distance Learning Network.

DP 15 - ARNG Additional Federal Spending Authority - The legislature approved additional federal special revenue authority in the amount of \$515,000 per year for ongoing repair and maintenance costs for federal buildings on federal land. The funding would be used for completion of ongoing projects, including: roof repairs, asphalt crack sealing and seal coats, heating and ventilation system repairs and replacement, and upgrades and enhancements to security fencing, door and window hardware, and other items.



**Program Legislative Budget**

The following table summarizes the legislative budget proposal for the program by year, type of expenditure, and source of funding.

Program Legislative Budget								
Budget Item	Base Budget Fiscal 2004	PL Base Adjustment Fiscal 2006	New Proposals Fiscal 2006	Total Leg. Budget Fiscal 2006	PL Base Adjustment Fiscal 2007	New Proposals Fiscal 2007	Total Leg. Budget Fiscal 2007	Total Leg. Budget Fiscal 06-07
FTE	33.00	0.00	0.00	33.00	0.00	0.00	33.00	33.00
Personal Services	1,381,307	381,250	0	1,762,557	385,209	0	1,766,516	3,529,073
Operating Expenses	1,125,266	170,501	0	1,295,767	159,366	0	1,284,632	2,580,399
<b>Total Costs</b>	<b>\$2,506,573</b>	<b>\$551,751</b>	<b>\$0</b>	<b>\$3,058,324</b>	<b>\$544,575</b>	<b>\$0</b>	<b>\$3,051,148</b>	<b>\$6,109,472</b>
General Fund	281,946	30,989	0	312,935	28,245	0	310,191	623,126
Federal Special	2,224,627	520,762	0	2,745,389	516,330	0	2,740,957	5,486,346
<b>Total Funds</b>	<b>\$2,506,573</b>	<b>\$551,751</b>	<b>\$0</b>	<b>\$3,058,324</b>	<b>\$544,575</b>	<b>\$0</b>	<b>\$3,051,148</b>	<b>\$6,109,472</b>

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Legislative Budget Analysis, D-169

**Funding**

The Air National Guard program is primarily funded with 90 percent federal funds and 10 percent general fund state match. Personal services costs for firefighters and security services are 100 percent federally funded.

**Present Law Adjustments**

The "Present Law Adjustments" table shows the primary changes to the adjusted base budget adopted by the legislature. "Statewide Present Law" adjustments are standard categories of adjustments made to all agencies. Legislative decisions on these items were applied globally to all agencies. The other numbered adjustments in the table correspond to the narrative descriptions.

Present Law Adjustments									
-----Fiscal 2006-----					-----Fiscal 2007-----				
FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
Personal Services				174,623					178,743
Vacancy Savings				(62,241)					(62,402)
Inflation/Deflation				38,891					30,098
Fixed Costs				(10,773)					(16,710)
<b>Total Statewide Present Law Adjustments</b>				<b>\$140,500</b>					<b>\$129,729</b>
DP 10 - AIR GUARD Firefighter Overtime	0.00	0	0	268,868	0.00	0	0	0	268,868
DP 12 - AIR GUARD Security	0.00	0	0	142,383	0.00	0	0	0	145,978
<b>Total Other Present Law Adjustments</b>	<b>0.00</b>	<b>\$0</b>	<b>\$0</b>	<b>\$411,251</b>	<b>0.00</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$414,846</b>
<b>Grand Total All Present Law Adjustments</b>				<b>\$551,751</b>					<b>\$544,575</b>

DP 10 - AIR GUARD Firefighter Overtime - The legislature approved an increase in federal special revenue for overtime pay for state firefighters in the Air National Guard. All Fair Labor Standard Act (FLSA) overtime must be paid for all firefighter hours worked exceeding 212 in a two-pay period month. The contractual agreement requires these items to be paid when earned.

DP 12 - AIR GUARD Security - The legislature approved additional spending authority for an increase in contracted security services for the Air National Guard. The Air National Guard uses a security contractor to perform a portion of

the security requirements for the Air National Guard base at Gore Hill in Great Falls. The 120<sup>th</sup> fighter wing located in Great Falls is still under a heightened security alert following the September 11, 2001 terrorist attack. This heightened alert requires that two security officers are on duty at all times. Funding for this request previously was through a budget amendment. Funding is 100 percent federal special revenue.

**Program Legislative Budget**

The following table summarizes the legislative budget proposal for the program by year, type of expenditure, and source of funding.

Program Legislative Budget								
Budget Item	Base Budget Fiscal 2004	PL Base Adjustment Fiscal 2006	New Proposals Fiscal 2006	Total Leg. Budget Fiscal 2006	PL Base Adjustment Fiscal 2007	New Proposals Fiscal 2007	Total Leg. Budget Fiscal 2007	Total Leg. Budget Fiscal 06-07
FTE	23.00	0.00	0.00	23.00	0.00	0.00	23.00	23.00
Personal Services	895,934	266,765	0	1,162,699	268,168	0	1,164,102	2,326,801
Operating Expenses	180,156	47,734	0	227,890	31,161	0	211,317	439,207
Equipment	0	0	0	0	0	0	0	0
Grants	1,039,597	0	0	1,039,597	0	0	1,039,597	2,079,194
<b>Total Costs</b>	<b>\$2,115,687</b>	<b>\$314,499</b>	<b>\$0</b>	<b>\$2,430,186</b>	<b>\$299,329</b>	<b>\$0</b>	<b>\$2,415,016</b>	<b>\$4,845,202</b>
General Fund	456,031	173,266	0	629,297	165,833	0	621,864	1,251,161
State/Other Special	14,437	0	0	14,437	0	0	14,437	28,874
Federal Special	1,645,219	141,233	0	1,786,452	133,496	0	1,778,715	3,565,167
<b>Total Funds</b>	<b>\$2,115,687</b>	<b>\$314,499</b>	<b>\$0</b>	<b>\$2,430,186</b>	<b>\$299,329</b>	<b>\$0</b>	<b>\$2,415,016</b>	<b>\$4,845,202</b>

**Page Reference**

Legislative Budget Analysis, D-171

**Funding**

The Disaster and Emergency Services Division is supported with general fund, state special revenue, and federal funds. The disaster coordination functions that provide support to communities and contribute to the overall mission of the division are usually funded on a 50/50 basis with general fund and federal funds. Disaster coordination functions focusing on specifically identified hazards or functions are usually funded 100 percent with federal funds. State special revenue is fee revenue from individuals who attend division-sponsored workshops and conferences and is used to support these functions.

**Present Law Adjustments**

The "Present Law Adjustments" table shows the primary changes to the adjusted base budget adopted by the legislature. "Statewide Present Law" adjustments are standard categories of adjustments made to all agencies. Legislative decisions on these items were applied globally to all agencies. The other numbered adjustments in the table correspond to the narrative descriptions.

Present Law Adjustments									
-----Fiscal 2006-----					-----Fiscal 2007-----				
FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
Personal Services				315,212					316,671
Vacancy Savings				(48,447)					(48,503)
Inflation/Deflation				(18)					(16)
Fixed Costs				47,752					31,177
<b>Total Statewide Present Law Adjustments</b>				<b>\$314,499</b>					<b>\$299,329</b>
<b>Grand Total All Present Law Adjustments</b>				<b>\$314,499</b>					<b>\$299,329</b>

**Program Legislative Budget**

The following table summarizes the legislative budget proposal for the program by year, type of expenditure, and source of funding.

Program Legislative Budget								
Budget Item	Base Budget Fiscal 2004	PL Base Adjustment Fiscal 2006	New Proposals Fiscal 2006	Total Leg. Budget Fiscal 2006	PL Base Adjustment Fiscal 2007	New Proposals Fiscal 2007	Total Leg. Budget Fiscal 2007	Total Leg. Budget Fiscal 06-07
FTE	22.00	1.00	0.00	23.00	1.00	0.00	23.00	23.00
Personal Services	787,666	140,259	0	927,925	140,616	0	928,282	1,856,207
Operating Expenses	399,651	201,468	0	601,119	198,581	0	598,232	1,199,351
Equipment	0	0	175,000	175,000	0	0	0	175,000
Capital Outlay	0	0	0	0	0	0	0	0
<b>Total Costs</b>	<b>\$1,187,317</b>	<b>\$341,727</b>	<b>\$175,000</b>	<b>\$1,704,044</b>	<b>\$339,197</b>	<b>\$0</b>	<b>\$1,526,514</b>	<b>\$3,230,558</b>
General Fund	659,551	254	100,000	759,805	0	0	659,551	1,419,356
State/Other Special	527,766	341,473	75,000	944,239	339,197	0	866,963	1,811,202
Federal Special	0	0	0	0	0	0	0	0
<b>Total Funds</b>	<b>\$1,187,317</b>	<b>\$341,727</b>	<b>\$175,000</b>	<b>\$1,704,044</b>	<b>\$339,197</b>	<b>\$0</b>	<b>\$1,526,514</b>	<b>\$3,230,558</b>

**Page Reference**

Legislative Budget Analysis, D-174

**Funding**

The Veterans Affairs Division is funded with general fund for all functions within the division except cemetery operations. Veterans cemetery operations are fully funded by state special revenue from donations, veteran license plate fees, and cemetery plot allowances.

**Present Law Adjustments**

The "Present Law Adjustments" table shows the primary changes to the adjusted base budget adopted by the legislature. "Statewide Present Law" adjustments are standard categories of adjustments made to all agencies. Legislative decisions on these items were applied globally to all agencies. The other numbered adjustments in the table correspond to the narrative descriptions.

Present Law Adjustments									
-----Fiscal 2006-----					-----Fiscal 2007-----				
FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
Personal Services				144,131					144,522
Vacancy Savings				(37,271)					(37,287)
Inflation/Deflation				(3,179)					(3,101)
Fixed Costs				(3,353)					(6,318)
<b>Total Statewide Present Law Adjustments</b>				<b>\$100,328</b>					<b>\$97,816</b>
DP 7 - FTE for the Veterans Cemetery	1.00	0	1,399	0	1,399	1.00	0	1,381	0
DP 8 - Continue Cemetery Maintenance	0.00	0	240,000	0	240,000	0.00	0	240,000	0
<b>Total Other Present Law Adjustments</b>	<b>1.00</b>	<b>\$0</b>	<b>\$241,399</b>	<b>\$0</b>	<b>\$241,399</b>	<b>1.00</b>	<b>\$0</b>	<b>\$241,381</b>	<b>\$0</b>
<b>Grand Total All Present Law Adjustments</b>				<b>\$341,727</b>					<b>\$339,197</b>

DP 7 - FTE for the Veterans Cemetery - The legislature approved adding 1.00 FTE to operate and maintain the eastern Montana Veterans Cemetery located in Miles City. Funding is from the veterans affairs cemeteries fund.

DP 8 - Continue Cemetery Maintenance - The legislature approved state spending authority of up to \$240,000 a year to operate, maintain, and administer the eastern Montana State Veterans Cemetery located in Miles City and the Montana State Veterans Cemetery located in Helena. Funding is from: 1) The veterans affairs cemeteries fund of \$200,000 a year; 2) \$20,000 from the Ft. Harrison cemetery plot account; 3) \$10,000 from the eastern Montana plot allowance fund; and 4) \$10,000 from the Ft Harrison cemetery donations account.

### New Proposals

New Proposals										
-----Fiscal 2006-----						-----Fiscal 2007-----				
Program	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
DP 16 - Purchase a Mobile Veterans Service Van - OTO										
31	0.00	0	75,000	0	75,000	0.00	0	0	0	0
DP 17 - Liberty House Project										
31	0.00	100,000	0	0	100,000	0.00	0	0	0	0
<b>Total</b>	<b>0.00</b>	<b>\$100,000</b>	<b>\$75,000</b>	<b>\$0</b>	<b>\$175,000</b>	<b>0.00</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

DP 16 - Purchase a Mobile Veterans Service Van - OTO - The legislature approved purchasing a mobile veterans service van for the statewide veterans' services outreach program. The new van would primarily be used for creating and processing compensation claims (typically disability and pension) in areas not served by the current outreach program. The new mobile van will be a custom built 24-foot, handicapped accessible vehicle, equipped with two office areas, equipment, and technology capable of completing a veteran's claim for compensation. Funding is from the sale of license plates sponsored by the division.

DP 17 - Liberty House Project - The legislature appropriated \$100,000 of general fund for constructing a liberty house at the Fort Harrison VA medical center. The liberty house will be used for family visiting patients at the VA medical center.

### Language

The legislature approved the following language for inclusion in HB2:

"The Liberty House Project may be used only for the purpose of constructing a liberty house at Fort Harrison VA medical center."